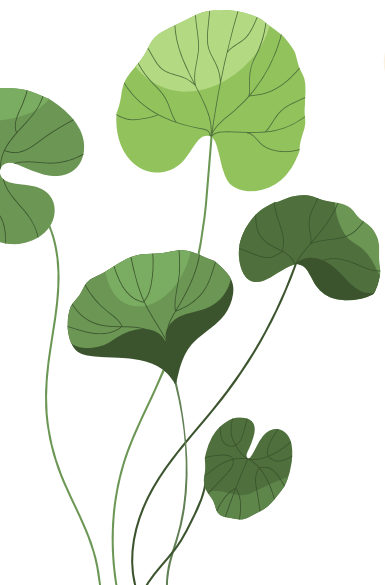


1st Quarter 2021

Consolidated Interim Financial
Report



IMMOFINANZ



Content

Consolidated Interim Financial Report

Business Development	4
EPRA Financial Indicators	7
Financing	12
Portfolio Report	14
Consolidated Balance Sheet	22
Consolidated Income Statement	23
Consolidated Statement of Comprehensive Income	24
Consolidated Cash Flow Statement	25
Consolidated Statement of Changes in Equity	26
Supplementary Information	28



Consolidated Interim Financial Report

Business Development

Income statement

All amounts in TEUR	Q1 2021	Q1 2020
Rental income	74,783	74,390
Results of asset management	54,895	59,466
Results of property sales	-413	-1,807
Results of property development	1,092	-747
Other operating income	910	363
Other operating expenses	-10,114	-13,813
Results of operations	46,370	43,462
Revaluation result from standing investments and goodwill	981	-44,988
Operating profit (EBIT)	47,351	-1,526
Financial results	79,687	-30,267
Earnings before tax (EBT)	127,038	-31,793
Net profit for the period from continuing operations	123,064	-37,648
Net profit or loss	123,064	-37,648

Rental income rose by 0.5%, or EUR 0.4 million, to EUR 74.8 million in the first quarter of 2021. Business activities in the previous year were only influenced by the COVID-19 pandemic beginning in mid-March, but the entire first quarter of 2021 was affected by containment measures and related temporary shutdowns. The 37.7% increase in property expenses to EUR -17.1 million (Q1 2020: EUR -12.4 million) is, consequently, a result of the higher write-offs of rents receivable in the results of asset management. These write-offs totalled EUR -6.2 million in the first quarter of 2021, compared with EUR -1.4 million in the first quarter of 2020 and represent important measures to support our tenants during the pandemic.

The COVID-19 crisis was responsible for a year-on-year decline of 7.7% in the results of asset management to EUR 54.9 million (Q1 2020: EUR 59.5 million). In contrast, the results of property sales improved to EUR -0.4 million (Q1 2020: EUR -1.8 million). Property sales totalling EUR 24.8 million were concluded during the first quarter, in particular with the sale of two office properties in Budapest. The results of property development turned positive at EUR 1.1 million (Q1 2020: EUR -0.7 million).

Results of operations

Other operating expenses improved by 26.8% to EUR -10.1 million due to the absence of a non-recurring effect from the previous year (Q1 2020: EUR -13.8 million). The results of operations therefore rose by 6.7% to EUR 46.4 million (Q1 2020: EUR 43.5 million).

Revaluation and operating profit

Results from the revaluation of standing investments equalled EUR 1.0 million, compared with write-downs of EUR -45.0 million to reflect the adverse effects of the COVID-19 pandemic in the first quarter of 2020. Operating profit (EBIT) therefore improved significantly to EUR 47.4 million (Q1 2020: EUR -1.5 million).

Financial results and taxes

Financing costs were stable at EUR -20.0 million (Q1 2020: EUR -19.5 million) despite a year-on-year increase of roughly 13.2% in the financing volume. Average financing costs, including hedging, equalled 1.98% per year (31 December 2020: 1.99%). The other financial results of EUR 8.9 million (Q1 2020: EUR -5.3 million) resulted primarily from the valuation of interest rate derivatives (Q1 2021: EUR 9.5 million) following an increase in long-term interest rates.

The share of results from equity-accounted investments increased to EUR 90.9 million (Q1 2020: EUR -4.2 million). Of this total, EUR 88.0 million are attributable to S IMMO (revaluation of EUR 85.3 million to the investment due to the increase in the share price and a proportional earnings contribution of EUR 2.8 million). Financial results totalled EUR 79.7 million (Q1 2020: EUR -30.3 million).

Net profit

Profit before tax improved significantly to EUR 127.0 million (Q1 2020: EUR -31.8 million). After the deduction of EUR -4.0 million (Q1 2020: EUR -5.9 million) in income taxes, net profit amounted to EUR 123.1 million (Q1 2020: EUR -37.6 million). That represents earnings per share* (basic) of EUR 1.00 (Q1 2020: EUR 0.37).

Funds from Operations (FFO)

FFO 1 from the standing investment business (before tax and including accrued interest for bonds) amounted to EUR 34.5 million (Q1 2020: EUR 40.0 million). This decline is attributable, above all, to the year-on-year, crisis-related increase in receivables write-offs from asset management. The FFO 1 calculations include the accrued interest for coupon payments on bonds (effect in Q1 2021: EUR 7.6 million). FFO 1 per share equalled EUR 0.28, compared with EUR 0.40 in the first quarter of 2020 (see the following table for the number of shares used in the calculation).

* Number of shares for the calculation (basic): 123,293,795 for Q1 2021 and 100,876,743 for Q1 2020

All amounts in TEUR	P&L Q1 2021	Adjustments	FFO Q1 2021	FFO Q1 2020
Results of asset management	54,895	16	54,911	59,477
Results of property sales	-413	413	0	0
Results of property development	1,092	-1,092	0	0
Other operating income	910	-343	567	183
Other operating expenses	-10,114	494	-9,619	-8,745
Results of operations	46,370	-512	45,858	50,915
Other revaluation results	981	-981	0	0
Operating profit (EBIT)	47,351	-1,492	45,858	50,915
Financing costs ¹	-20,024			
Financing income	655			
Foreign exchange differences	-734			
Other financial results	8,923			
Net profit or loss from equity-accounted investments	90,867			
Financial results	79,687	-91,046	-11,358	-10,891
FFO 1 before tax (excluding S IMMO)	127,038	-92,538	34,500	40,023
FFO 1 per share before tax (excluding S IMMO) in EUR			0.28	0.40
Dividends received from S IMMO			0	0
FFO 1 before tax			34,500	40,023
FFO 1 per share before tax in EUR			0.28	0.40
Number of shares (as per EPS formula) for the calculation			123,293,795	100,876,743

¹ Financing costs include the accrued interest for the corporate bonds 2019–2023 and 2020–2027 as well as the convertible bond 2017–2024 at EUR 7.6 million; the coupon payment for the mandatory convertible bond 2020–2023 (Q1 2021: EUR 2.4 million) is not included.

Balance sheet

The condensed balance sheet is shown below:

All amounts in TEUR	31 03 2021	in %	31 12 2020	in %
Investment property	4,776,173		4,680,351	
Property under construction	355,724	76.3	358,640	76.2
Real estate inventories	619		619	
Assets held for sale	146,085		168,382	
Other assets	64,843	0.9	63,765	0.9
Equity-accounted investments	463,721	6.7	367,932	5.4
Trade and other receivables	215,303	3.1	144,639	2.1
Cash and cash equivalents	897,220	13.0	1,047,085	15.3
Assets	6,919,688	100.0	6,831,413	100.0
Equity	3,205,117	46.3	3,083,707	45.1
Liabilities from convertible bonds	289,009	4.2	291,056	4.3
Financial liabilities	2,895,148	41.8	2,916,051	42.7
Trade and other payables	177,355	2.6	188,958	2.8
Other liabilities	90,196	1.3	89,370	1.3
Deferred tax liabilities	262,863	3.8	262,271	3.8
Equity and liabilities	6,919,688	100.0	6,831,413	100.0

IMMOFINANZ has a robust balance sheet structure with an equity ratio of 46.3% (31 December 2020: 45.1%). The net loan to value equalled 39.5%.

The value of the property portfolio amounts to EUR 5.3 billion and represents 76.3% of total assets. These properties are reported on the balance sheet under the following positions: investment property, property under construction, real estate inventories and assets held for sale. Assets held for sale include properties as well as other assets which will be transferred to the buyer in the event of a sale.

The equity-accounted investments of EUR 463.7 million include EUR 459.8 million which are attributable to S IMMO AG. Based on the roughly 19.5 million shares held by IMMOFINANZ, the book value of the S IMMO share equals EUR 23.58 (31 December 2020: EUR 18.65). As indicated above, the S IMMO investment was written up by EUR 85.3 million.

Cash and cash equivalents totalled EUR 897.2 million (including cash and cash equivalents held for sale, EUR 900.0 million). The decline since 31 December 2020 was based, among others, on the annual coupon payment in January for the corporate bond 2019–2023 and on various acquisitions for the STOP SHOP retail park portfolio in the Adriatic segment.

EPRA Financial Indicators

EPRA net asset value

The EPRA recommends publishing a revised version of the net asset value indicators (NAV indicators) beginning with the financial statements for 2020 to better reflect current market trends and company developments. The two previously published indicators – net asset value (NAV) and triple net asset value (NNNAV) – will be replaced by three new indicators: net reinstatement value (NRV), net tangible assets (NTA) and net disposal value (NDV).

These indicators are calculated in accordance with the EPRA Best Practices Recommendations (BPR), whereby adjustments are made beginning with IFRS equity to provide stakeholders with the most transparent information on the market value of the real estate company's assets and liabilities under various scenarios.

In order to present the transition as clearly as possible, IMMOFINANZ calculated a transition for 31 March 2021 and for 31 December 2020 as the comparative period, from the previous EPRA NAV and EPRA NNNAV to the three new NAV indicators based on the EPRA BPR Guidelines issued in October 2019. The EPRA NTA is the most relevant indicator for IMMOFINANZ's business activities and therefore serves as the new primary indicator for net asset value.

Transition from EPRA NAV to the three new EPRA indicators

All amounts in TEUR	Former indicators 31 03 2021	New indicators 31 03 2021		
	NAV/NNNAV	NRV	NTA	NDV
Equity excluding non-controlling interests	3,234,826	3,234,826	3,234,826	3,234,826
Hybrid instruments (convertible bonds)	0	-17,489	-17,489	-17,489
Diluted equity excluding non-controlling interests after an adjustment for convertible bonds and the exercise of options	3,234,826	3,217,337	3,217,337	3,217,337
Diluted equity excluding non-controlling interests after an adjustment for convertible bonds and the exercise of options as well as undisclosed reserves	3,234,826	3,217,337	3,217,337	3,217,337
Fair value of derivative financial instruments	19,449	19,449	19,449	0
Deferred taxes on derivative financial instruments	-3,748	-3,748	-3,748	0
Deferred taxes on investment property	325,320	327,030	307,653	0
Goodwill resulting from deferred taxes	-24,183	-24,183	-24,183	-24,183
Intangible assets	0	0	218	0
EPRA NAV (diluted)	3,551,665	0	0	0
Fair value of derivative financial instruments	-19,449	0	0	0
Deferred taxes on derivative financial instruments	3,748	0	0	0
Effect of fair value measurement of financial liabilities	-25,562	0	0	-8,073
Deferred taxes on the fair value measurement of financial liabilities	6,391	0	0	2,018
Deferred taxes on investment property	-4,788	0	0	0
Real estate transfer tax and other purchaser's costs	0	184,788	41,263	0
EPRA NNAV (diluted)	3,512,004	3,720,672	3,557,989	3,187,099
Number of shares excluding treasury shares in 1,000	123,293,795	123,293,795	123,293,795	123,293,795
EPRA NAV per share in EUR	28.81	30.18	28.86	25.85
EPRA NNAV per share in EUR	28.48			

All amounts in TEUR	Former indicators 31 12 2020	New indicators 31 12 2020		
	NAV/NNNAV	NRV	NTA	NDV
Equity excluding non-controlling interests	3,107,583	3,107,583	3,107,583	3,107,583
Hybrid instruments (convertible bonds)	0	-21,654	-21,654	-21,654
Diluted equity excluding non-controlling interests after an adjustment for convertible bonds and the exercise of options	3,107,583	3,085,929	3,085,929	3,085,929
Diluted equity excluding non-controlling interests after an adjustment for convertible bonds and the exercise of options as well as undisclosed reserves	3,107,583	3,085,929	3,085,929	3,085,929
Fair value of derivative financial instruments	29,125	29,177	29,125	0
Deferred taxes on derivative financial instruments	-5,745	-5,755	-5,745	0
Deferred taxes on investment property	318,982	321,471	304,332	0
Goodwill resulting from deferred taxes	-24,184	-24,184	-24,184	-24,184
Intangible assets	0	0	-276	0
EPRA NAV (diluted)	3,425,761			
Fair value of derivative financial instruments	-29,125			
Deferred taxes on derivative financial instruments	5,745			
Effect of fair value measurement of financial liabilities ¹	-29,393	0	0	-7,739
Deferred taxes on the fair value measurement of financial liabilities ¹	7,348	0	0	1,935
Deferred taxes on investment property	-8,068			
Real estate transfer tax and other purchaser's costs	0	183,972	41,081	0
EPRA NNAV (diluted)	3,372,268	3,590,610	3,430,262	3,055,940
Number of shares excluding treasury shares in 1,000	123,293,795	123,293,795	123,293,795	123,293,795
EPRA NAV per share in EUR	27.79	29.12	27.82	24.79
EPRA NNAV per share in EUR	27.35			

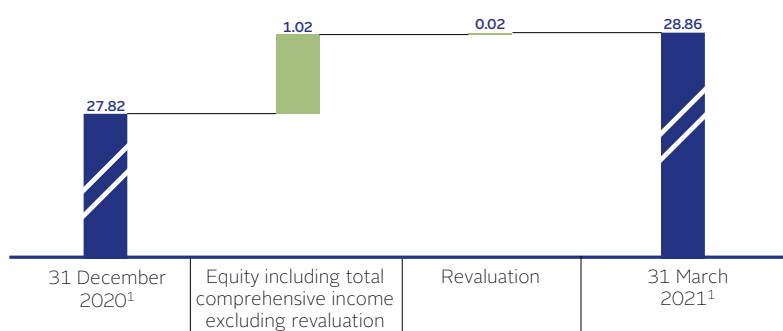
¹ The comparative period data were adjusted.

The calculation of the EPRA NAV indicators does not include any potential shares which would result from the conversion of the convertible bond 2017–2024 because the bond was not “in the money” as of 31 March 2021. The diluting effect of the hybrid financial instruments (convertible bonds) resulted from the equity correction for the convertible bond 2017–2024. The equity component declines to zero over the term of these financial instruments based on the effective interest rate. The mandatory convertible bond 2020–2023 issued in July 2020 must be converted into IMMOFINANZ shares and is therefore classified as an equity instrument under IFRS, i.e. this bond is included in full in equity and in the number of shares.

The EPRA NTA per share rose by 3.7% to EUR 28.86 as of 31 March 2021 (31 December 2020: EUR 27.82). This increase is primarily attributable to the positive development of earnings during the first quarter of 2021 (see the following reconciliation).

The book value per share equalled EUR 26.24 as of 31 March 2021 (31 December 2020: EUR 25.20).

EPRA NTA bridge



¹ Number of shares as of 31 December 2020 and 31 March 2021 in thousand: 123,294 (basic)

EPRA earnings per share

All amounts in TEUR	Q1 2021	Q1 2020
Weighted average number of shares in 1,000	123,294	100,877
Net profit or loss from continuing operations excluding non-controlling interests	123,063	-37,373
Revaluation of investment properties and development properties	-2,598	45,799
Results of property sales	412	1,807
Goodwill impairment, negative differences and earn-out effects on income	0	-45
Changes in fair value of financial instruments	-9,624	5,671
Taxes in respect of EPRA adjustments	2,179	-8,975
EPRA adjustments in respect of joint ventures and non-controlling interests	5	-279
EPRA earnings	113,437	6,606
EPRA earnings per share in EUR	0.92	0.07
Company-specific adjustments		
One-time effects in other operating expenses	131	4,938
Valuation S IMMO	-85,274	0
Foreign exchange gains and losses	734	1,613
Deferred taxes in respect of company-specific adjustments	21,441	-1,309
Company-specific adjusted EPRA earnings	50,468	11,847
EPRA earnings per share after company-specific adjustments in EUR	0.41	0.12

EPRA earnings per share equalled EUR 0.92 in the first quarter of 2021 and EUR 0.41 per share after company-specific adjustments. The year-on-year increase primarily resulted from the improvement in earnings.

EPRA net initial yield

All amounts in TEUR	Q1 2021	2020
Investment property	4,794,466	4,721,453
Investment property – proportional share of joint ventures	1,268	1,268
less undeveloped land	-154,505	-197,055
less undeveloped land – proportional share of joint ventures	-1,268	-1,268
Total property portfolio	4,639,961	4,524,398
Allowance for estimated purchasers' costs	172,143	167,855
Gross value of total standing investment portfolio	4,812,104	4,692,253
Annualised cash rental income	301,088	290,553
Non-recoverable property operating expenses	-28,233	-26,417
Annualised net rental income	272,855	264,136
Notional rent expiration of rent free periods or other lease incentives	21,746	16,119
"Topped-up" net annualised rents	294,601	280,254
EPRA net initial yield in %	5.7	5.6
EPRA "topped-up" net initial yield in %	6.1	6.0

The EPRA NIY rose from 5.6% at year-end 2020 to 5.7% in the first quarter of 2021 and the "topped-up" NIY increased from 6.0% to 6.1%.

EPRA vacancy rate

EPRA vacancy rate by core market

	31 03 2021				31 12 2020
	Rentable space in sqm	Market rent for vacant space in MEUR	Total market rent in MEUR	EPRA vacancy rate in %	EPRA vacancy rate in %
Standing investments					
Austria	243,461	0.2	3.2	5.7	4.4
Germany	94,059	0.3	1.8	16.8	0.9
Poland	418,316	0.3	5.8	4.4	3.8
Czech Republic	233,407	0.1	2.9	4.3	3.9
Hungary	238,436	0.1	2.7	3.1	2.5
Romania	333,989	0.3	4.7	7.3	5.6
Slovakia	188,071	0.2	2.2	8.8	7.9
Adriatic ¹	254,168	0.0	2.5	1.0	2.0
IMMOFINANZ	2,003,907	1.5	25.8	5.9	4.0

¹ In declining order based on the carrying amount: Serbia, Slovenia and Croatia

EPRA vacancy rate by asset class and brand

Standing investments	31 03 2021				31 12 2020
	Rentable space in sqm	Market rent for vacant space in MEUR	Total market rent in MEUR	EPRA vacancy rate in %	EPRA vacancy rate in %
Office	956,742	1.2	14.1	8.4	5.5
thereof myhive	542,936	0.9	8.6	10.0	6.6
Retail	1,047,165	0.3	11.7	2.8	2.1
thereof VIVO!/shopping center	314,118	0.2	4.7	4.2	3.0
thereof STOP SHOP/retail park	722,746	0.1	6.9	1.8	1.4
IMMOFINANZ	2,003,907	1.5	25.8	5.9	4.0

The EPRA vacancy rate equalled 5.9% as of 31 March 2021 (31 December 2020: 4.0%) and rose to 8.4% in the office business. This increase over year-end 2020 resulted primarily from an agreement with a large tenant in Germany who was severely affected by the pandemic to reduce the amount of rented space beginning in 2021. These vacant areas will now be marketed as flexible myhive solutions. The retail portfolio was nearly fully rented with a vacancy rate of only 2.8%, whereby the STOP SHOP retail parks had the lowest vacancy rate as of 31 March 2021 at 1.8%.

EPRA cost ratio

All amounts in TEUR	Q1 2021	Q1 2020
Expenses from investment property	-17,098	-12,421
Net operating costs, excluding indirect costs that are recharged through rents but not invoiced separately	-315	-631
EPRA costs (including direct vacancy costs)	-17,413	-13,053
Vacancy costs	-1,701	-1,821
EPRA costs (excluding direct vacancy costs)	-15,712	-11,232
Gross rental income including service fees and service charge cost components	74,785	73,991
Less service fees and service charge cost components of gross rental income	-2,954	-3,392
Gross rental income	71,830	70,599
EPRA cost ratio (including direct vacancy costs) in %	24.2	18.5
EPRA cost ratio (excluding direct vacancy costs) in %	21.9	15.9

The EPRA cost ratio equalled 24.2% in the first quarter of 2021 (Q1 2020: 18.5%) including direct vacancy costs and 21.9% excluding direct vacancy costs, compared with 15.9% in the first quarter of 2020. This increase resulted from the crisis-related rise in expenses for investment properties. The receivables write-offs from asset management included in the calculation rose to EUR -6.2 million (Q1 2020: EUR -1.4 million).

EPRA capital expenditure

All amounts in TEUR	Q1 2021	Q1 2020
Acquisitions	38,144	0
Development projects	45,732	26,025
Investment property	11,442	3,641
thereof incremental lettable space	0	0
thereof no incremental lettable space ¹	11,380	2,983
thereof tenant incentives ¹	62	658
EPRA capital expenditure	95,318	29,666

¹ The comparative period data were adjusted.

Capital expenditure totalled EUR 95.3 million in the first quarter of 2021 and was concentrated on properties solely owned by IMMOFINANZ (Q1 2020: EUR 29.7 million). Major projects included the development of the myhive Medienhafen in Düsseldorf, the modernisation of existing office properties in Romania and Vienna as well as the acquisition of the Bucharest Financial Plaza in the first quarter of 2021.

The acquisition of four retail parks in Serbia, which was reported in 2020, also closed during the first quarter of 2021. This real estate package in Serbia includes locations in Leskovac, Šabac, Sombor and Zaječar. The purchase of land in Croatia was also finalised in the first quarter of 2021.

Capital expenditure in investment properties totalled EUR 11.4 million and was related primarily to the myhive Medienhafen Largo (Düsseldorf, formerly the trivago Campus), myhive Ungargasse (Vienna) and myhive Warsaw Spire (Warsaw). Capital expenditure in investment properties consisted almost entirely of improvements to existing rental space as well as rental incentives. The investments in additional rental space are immaterial and, in accordance with EPRA requirements, are reported under “thereof no incremental lettable space”.

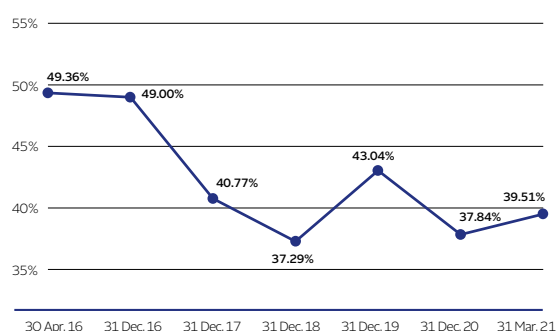
Financing

Financial liabilities* totalled EUR 3.1 billion as of 31 March 2021 (31 December 2020: EUR 3.2 billion). Cash and cash equivalents, including cash and cash equivalents held for sale, amounted to EUR 900.0 million (31 December 2020: EUR 1,051.4 million), and net debt, i.e. debt after the deduction of cash and cash equivalents held by the Group, equalled EUR 2.2 billion (31 December 2020: EUR 2.1 billion).

The unsecured, revolving credit line of EUR 100.0 million concluded at the end of March 2020 was not in use as of the balance sheet date and is therefore available in full. This credit line can be used at the company's discretion up to 31 March 2022 and gives IMMOFINANZ added financial flexibility.

IMMOFINANZ has a robust balance sheet structure with an equity ratio of 46.3% (31 December 2020: 45.1%) and a net loan-to-value ratio (net LTV) of 39.5% (31 December 2020: 37.8%).

Development of net LTV



Calculation of net LTV as of 31 March 2021

Amounts in TEUR

Carrying amount of financing ¹	3,146,624.2
- Cash and cash equivalents ²	900,023.7
Net carrying amount of financing	2,246,600.4
Carrying amount of property ³ & EPRA NAV of S IMMO shares ⁴	5,685,800.9
Net LTV in %	39.5

¹ Including IFRS 5 values, excluding IFRS 16 values

² Cash and cash equivalents, including cash and cash equivalents in assets held for sale

³ Excluding rights of use, values as per IFRS 16

⁴ 19.5 million S IMMO shares at the EPRA NAV of EUR 25.05 per share as of 31 March 2021

* Excluding lease liabilities of EUR 78.9 million in accordance with the application of IFRS 16; including IFRS 5

The average financing costs for IMMOFINANZ, including derivatives, equalled 1.98% per year as of 31 March 2021 (31 December 2020: 1.99% per year). The hedging quota was stable at 87.3% (31 December 2020: 88.6%).

Unencumbered property

In addition to properties which carry external financing and are encumbered through standard market collateral (e.g. mortgages, pledge of company shares), EUR 1,551.7 million, or 29.9% of the total property carrying amount, were not externally financed and therefore unencumbered as of 31 March 2021 (31 December 2020: EUR 1,482.8 million or 28.9%). Including the S IMMO shares (valued at the EPRA NAV), which are not encumbered by any financing, this value increases to EUR 2,040.2 million or 35.9%.

Composition of financial liabilities

The financial liabilities held by IMMOFINANZ consist of amounts due to financial institutions as well as liabilities from bonds. The composition of these liabilities as of 31 March 2021 is as follows:

Weighted average interest rate of the financial liabilities	Outstanding liability in TEUR as of 31 03 2021	Total average interest rate incl. expenses for derivatives in % ¹
Convertible bonds ²	289,009.2	1.50
Corporate bonds	972,550.4	2.56
Bank liabilities ³	1,885,064.5	1.75
IMMOFINANZ	3,146,624.2	1.98

¹ Calculation basis: actual remaining debt (nominal amount), excluding the mandatory convertible bond

² Convertible bond 2017–2024 (coupon reduced to 1.5% after receipt of an investment grade rating) and future coupon payments for the mandatory convertible bond 2020–2023 which are classified as debt.

³ Including IFRS 5

The remaining balance of the financial liabilities held by IMMOFINANZ totalled EUR 3,146.6 million as of 31 March 2021, whereby all financing is denominated in euros.

Bonds

The outstanding nominal value of the bonds totalled EUR 1,397.3 million as of 31 March 2021 (31 December 2020: EUR 1,397.3 million) and includes the following: the convertible bond issued in January 2017 with a term ending in 2024 and a put option for the investors at the nominal amount in 2022 (current conversion price: EUR 21.3772), the subordinated mandatory convertible bond issued in July 2020 with a term ending in 2023 (current conversion price: EUR 17.1472) and the two benchmark bonds issued in January 2019 and October 2020.

	ISIN	Maturity	Coupon in %	Nominal value as of 31 12 2020 in TEUR	Repurchases/ redemptions/ conversions/ new issues 2021 in TEUR	Nominal value as of 31 03 2021 in TEUR
Corporate bond	XS1935128956	27 01 2023	2.63	482,800	0	482,800
Corporate bond	XS2243564478	15 10 2027	2.50	500,000	0	500,000
Convertible bond	XS1551932046	24 01 2024 ¹	1.50 ²	294,500	0	294,500
IMMOFINANZ			2.32	1,277,300	0	1,277,300
Mandatory convertible bond ³	AT0000A2HPN2	23 07 2023	4.00	120,000	0	120,000
IMMOFINANZ			n. a.	1,397,300	0	1,397,300

¹ End of the bond term in 2024; put option for bondholders on 24 January 2022

² Coupon reduced by 50 basis points to 1.50% as of 24 January 2019 following the receipt of an investment grade rating

³ The mandatory convertible bond represents a hybrid financial instrument which must be separated into equity and debt components on initial recognition. The regular interest payments are classified as a financial liability, while the mandatory conversion is considered an equity component.

In the first quarter of 2019, IMMOFINANZ received a long-term issuer rating BBB- with stable outlook from S&P Global Ratings. This rating and outlook were confirmed during the annual review process in February 2021. IMMOFINANZ's announcement in March 2021 of its intention to launch a voluntary public takeover offer to the shareholders of S IMMO AG led to a revision in the S&P outlook from stable to negative.

In connection with the issue of the corporate bond 2019–2023 and the corporate bond 2020–2027, IMMOFINANZ has committed to comply with the following standard financial covenants. These covenants will be calculated on the basis of the consolidated IFRS financial statements.

Financial covenant	Threshold in %	Value as of 31 03 2021 in %
Net Debt to Value Ratio ¹	Max. 60.0	38.3
Secured Net Debt to Value Ratio ¹	Max. 45.0	15.2
Interest Coverage Ratio	Min. 150.0	393.2

¹ The values are based on the latest calculation as per the bond terms on or before 31 March 2021.

Portfolio Report

COVID-19 update

The COVID-19 pandemic only influenced the first quarter of 2020 as of mid-March, but its impact covered the first three months of 2021 in full. The spread of new COVID-19 mutations combined with the slow progress of vaccinations and problems with vaccine deliveries at the beginning of the year led to renewed or extended containment measures by many governments, which included temporary shutdowns in the retail trade and further lockdowns. Roughly 48% of the rented retail space was closed on a temporary basis at the end of March 2021. However, the situation improved substantially during the second quarter with the progress of the EU-wide vaccination campaigns and only 1% of the retail space was closed on a temporary basis in mid-May. This mainly affected the VIVO! Hostivař shopping center in Prague.

Similar to developments during the earlier waves, visitor frequency in the retail parks recovered very quickly after the end of the lockdowns. The STOP SHOP retail parks benefit from direct access to the individual stores from the parking areas and a focus on everyday products. Statistics also showed that people shopped less frequently but spent more per visit as a result of the pandemic, a development that is reflected in the visitor frequency and turnover. Footfall in the STOP SHOPS was 27.7% lower year-on-year from January to March 2021, including the COVID-19-related shutdown days, but revenues declined by only 10.4%.

Footfall in the VIVO! shopping centers was 16.8% lower year-on-year from January to March 2021, including the COVID-19-related shutdown days, while retail revenues declined by only 11.9%.

Roughly 92% of the contract rents (after the deduction of rent reductions and impairment losses) invoiced during the first quarter of 2021 for space in the office and retail properties had been paid by the end of April 2021 (retail: 86%, office: 97%). This high percentage demonstrates the quality of IMMOFINANZ's tenants and the appropriateness of the temporary support agreements. The rental reductions granted during this period amounted to 7.8% of the contractual rents (retail: 11.3%, office: 5.2%).

Property portfolio

The IMMOFINANZ portfolio covered 216 properties* as of 31 March 2021 (31 December 2020: 209) with a combined value of EUR 5,070.5 million (31 December 2020: EUR 4,978.9 million.). These properties are located, above all, in the core markets of Austria, Germany, Poland, Czech Republic, Slovakia, Hungary and Romania. Standing investments represent the largest component at EUR 4,541.8 million, or 89.6% of the carrying amount, and 2.0 million sqm of rentable space, which generate steady rental income. The development projects total EUR 355.7 million, or 7.0% of the carrying amount. Pipeline projects are responsible for EUR 173.0 million, or 3.4%, and include future planned development projects, undeveloped land, real estate inventories and properties that are intended for sale.

The portfolio is focused on three clearly defined brands with a high degree of standardisation: myhive stands for flexible, international office solutions, STOP SHOP for retail parks and VIVO! for shopping centers. Properties in these three brands were responsible for 74.1% of the carrying amount of the standing investment portfolio and 78.8% of rental income at the end of March 2021 (Q1 2021). A further 10.4% of the carrying amount is attributable to office buildings which are rented to single tenants. The largest of these properties are the City Tower in Vienna, which is leased to the Austrian government, and the FLOAT in Düsseldorf.

A geographical analysis shows 49.7% of the property portfolio in Austria, Germany and Poland, i.e. in so-called “developed markets” as defined by FTSE EPRA/NAREIT.

The application of IFRS 16 since the first quarter of 2019 leads to differences between the amounts presented in the portfolio report and on the balance sheet. Expert appraisals or internal valuation form the basis for the property values in the portfolio report. The reported property values on the balance sheet also include capitalised rights of use for building rights.

In line with the strategic expansion of business activities in Slovenia, Serbia and Croatia, IMMOFINANZ has decided to combine these three countries into the new segment “Adriatic” which will be reported separately beginning with the first quarter of 2021. These three countries were previously included under the “Other countries” segment.

Property portfolio by core market and classification

Property portfolio	Number of properties	Standing investments in MEUR	Development projects in MEUR	Pipeline projects in MEUR ¹	Property portfolio in MEUR	Property portfolio in %
Austria	31	777.8	87.1	29.4	894.3	17.6
Germany	7	538.0	106.3	0.5	644.8	12.7
Poland	27	978.5	0.7	0.0	979.2	19.3
Czech Republic	20	567.5	0.0	0.0	567.5	11.2
Hungary	25	396.5	67.8	17.8	482.0	9.5
Romania	41	608.5	74.2	98.1	780.8	15.4
Slovakia	21	323.8	0.0	1.2	324.9	6.4
Adriatic ²	39	351.3	19.6	4.4	375.3	7.4
Other countries ³	5	0.0	0.0	21.7	21.7	0.4
IMMOFINANZ	216	4,541.8	355.7	173.0	5,070.5	100.0
in %		89.6	7.0	3.4	100.0	

Rounding differences may result from the use of automatic data processing equipment for the addition of rounded amounts and percentage rates.

¹ Including real estate inventories (Cologne and Adama) totalling EUR 0.6 million

² In declining order based on the carrying amount: Serbia, Slovenia and Croatia

³ In declining order based on the carrying amount: Turkey and Bulgaria

* Properties that are held for sale and fall under IFRS 5 are, as in the past, not included in the portfolio report (see section 3.3 in the supplementary information to the consolidated interim financial statements).

Property acquisitions

IMMOFINANZ continued the strategic expansion of its flexible international myhive office brand, as announced, and acquired the Bucharest Financial Plaza office building from the Erste-Group subsidiary Banca Comercială Română (BCR) in the first quarter of 2021. Plans include its modernisation and conversion into a high-quality, green myhive building with “Gold” sustainability certification as a minimum. The gross rental space is expected to total 27,700 sqm after the refurbishment. The transaction costs amounted to approximately EUR 36.0 million, and the closing took place on 23 March 2021.

The acquisition of four retail parks in Serbia, which was announced in 2020, also closed during the first quarter of 2021. This real estate package in Serbia covers locations in Leskovac, Šabac, Sombor and Zaječar with approximately 28,200 sqm of rentable space.

Investments

Investments in the real estate portfolio totalled EUR 97.8 million in the first quarter of 2021 (Q1 2020: EUR 29.7 million). The pandemic was responsible for isolated delays on development projects. In addition, non-essential investments were postponed to protect liquidity. Most of the investments in 2021 were related to the myhive Victoriei (Bucharest), myhive Medienhafen (Düsseldorf) and myhive Warsaw Spire (Warsaw) as well as several STOP SHOP retail parks.

Property sales

In spite of the still challenging market environment, properties totalling EUR 24.8 million were sold during the first quarter of 2021 (excl. proceeds from the sale of real estate inventories; Q1 2020: EUR 49.0 million). These transactions included, among others, two office properties in Hungary as well as land in Turkey and Romania. The closing for the sale of four office buildings in Warsaw to the Indotek Group also took place shortly after the end of the reporting period. These buildings have 45,300 sqm of rentable space in total. The sale price equalled EUR 72.5 million. The signing with the buyer took place before the outbreak of the COVID-19 pandemic, and the transaction closed on 8 April 2021.

Standing investments

The 159 standing investments had a combined carrying amount of EUR 4,541.8 million as of 31 March 2021 (31 December 2020: 153 standing investments with a carrying amount of EUR 4,428.5 million). Of this total, 62.1% are attributable to office properties and 37.7% to retail properties. The focal point of the standing investments based on the carrying amount are the markets in Poland (EUR 978.5 million), Austria (EUR 777.8 million) and Romania (EUR 608.5 million). The rentable space in this portfolio totalled 2,003,907 sqm (31 December 2020: 2,001,063 sqm). The standing investment portfolio has a gross return of 5.8%* based on IFRS rental income and a return of 6.1%* based on invoiced rents. The difference is explained by the accrual of rental incentives – e.g. the standard market practice of granting rent-free periods or allowances for fit-out costs. These incentives must be accrued on a straight-line basis over the contract term in accordance with IFRS (basis for gross return under IFRS) but are not included in the invoiced rent.

The occupancy rate equalled 94.5% (31 March 2020: 96.4%; 31 December 2020: 96.0%). The decline below the level at year-end 2020 resulted primarily from an agreement with a single tenant in Germany who was hard hit by the pandemic to reduce the amount of rented space beginning in 2021. These vacant areas will now be marketed as flexible myhive solutions. According to the EPRA's calculation formula, the vacancy rate equals 5.9% (31 March 2020: 3.4%; 31 December 2020: 4.0%). The EPRA vacancy rate is based on the ratio of the estimated market rent for the vacant space in the standing investments to the total estimated market rent for the standing investment portfolio (additional information on the EPRA financial indicators can be found beginning on page 7). The average unexpired lease term (WAULT**) weighted by rental income equalled 4.1 years as of 31 March 2021 (31 December 2020: 4.2 years).

* The return was adjusted for a non-recurring effect in the form of a settlement payment for the reduction in space beginning in 2021. It involves a large tenant in Germany who was severely affected by the pandemic.

** Average unexpired lease term weighted by rental income, excl. open-ended contracts

Contract expiration profile: standing investments (total)

Expiring rental contracts as of the earliest possible contract end in relation to the total rented space (only GLA space¹):

1 year in %	2 years in %	3 years in %	4 years in %	5 years in %	> 5 years in %	> 10 years in %
14	12	14	17	15	28	1

¹ Gross lettable area: the total area available to tenants for their exclusive use; excludes common areas, e.g. traffic, parking and service areas, etc.

Standing investments by core market

Standing investments	Number of properties	Carrying amount in MEUR	Carrying amount in %	Rentable space in sqm	Rented space in sqm	Occupancy rate in %
Austria	25	777.8	17.1	243,461	230,007	94.5
Germany	4	538.0	11.8	94,059	78,815	83.8
Poland	24	978.5	21.5	418,316	398,501	95.3
Czech Republic	20	567.5	12.5	233,407	223,723	95.9
Hungary	20	396.5	8.7	238,436	231,594	97.1
Romania	13	608.5	13.4	333,989	304,514	91.2
Slovakia	20	323.8	7.1	188,071	174,181	92.6
Adriatic ¹	33	351.3	7.7	254,168	251,597	99.0
IMMOFINANZ	159	4,541.8	100.0	2,003,907	1,892,932	94.5

Standing investments	Rental income Q1 2021 in MEUR	Gross return (invoiced rents return) in %	Carrying amount financing in MEUR	Financing costs floating interest in % ²	Financing costs incl. derivatives in %	LTV in %
Austria	8.4	4.3 (4.5)	315.6	1.2	2.1	40.6
Germany	3.9 ⁵	2.9 (3.0) ⁵	270.0	0.6	1.0	50.2
Poland	15.2	6.2 (6.7)	438.4	1.3	1.9	44.8
Czech Republic	7.3	5.2 (5.5)	303.1	1.3	1.6	53.4
Hungary	6.8	6.9 (7.1)	195.5	1.3	1.9	49.3
Romania	11.7	7.7 (8.3)	0.0	0.0	0.0	0.0
Slovakia	5.6	6.9 (7.3)	182.6	1.4	1.9	56.4
Adriatic ¹	7.0	8.0 (8.1)	84.0	1.9	1.9	23.9
IMMOFINANZ	66.0⁵	5.8 (6.1)⁵	1,789.2	1.2	1.8	39.4
Development projects and pipeline projects	1.4		70.2	1.4	1.9	
Rental income from sold properties and adjustment for one-time effect	7.5		0.0	0.0	0.0	
Group financing	0.0		1,261.6	0.0	2.3	
IMMOFINANZ	74.8		3,121.0	1.2	2.0	

Market value property portfolio in MEUR		5,070.5
EPRA NAV S IMMO shares (19.5 million shares) ³ in MEUR		488.5
Cash and cash equivalents ⁴ in MEUR	-900.0	
Properties/liabilities held for sale (asset & share deals) in MEUR	25.6	126.8
IMMOFINANZ in MEUR	2,246.6	5,685.8
Net LTV in %		39.5

¹ In declining order based on the carrying amount: Serbia, Slovenia and Croatia

² Financing costs based on nominal outstanding liability

³ 19.5 million S IMMO shares at the EPRA NAV of EUR 25.05 per share as of 31 March 2021

⁴ Cash and cash equivalents, including cash and cash equivalents from assets held for sale

⁵ Rental income and the return were adjusted for a non-recurring effect in the form of a settlement payment for the reduction in space beginning in 2021. It involves a large tenant in Germany who was severely affected by the pandemic.

Office standing investments

The carrying amount of the 48 office standing investments totalled EUR 2,820.5 million as of 31 March 2021 (31 December 2020: 47 standing investments with a carrying amount of EUR 2,749.9 million). These assets represented 62.1% of the standing investment portfolio and 49.9% of the rental income from standing investments in the first quarter of 2021. A regional analysis shows the focal points of the IMMOFINANZ office properties in the core markets of Poland (EUR 694.9 million), Austria (EUR 635.6 million) and Germany (EUR 530.5 million).

The reclassification of the myhive Ungargasse in Vienna from development projects to standing investments led to an increase in rentable space to 956,742 sqm as of 31 March 2021 (31 December 2020: 940,303 sqm). Based on annualised rents (Q1 2021: EUR 32.9 million*), the office portfolio generated a gross return of 4.7%* and a return of 5.1%* based on invoiced rents. The office properties in the myhive brand represent a carrying amount of EUR 1,663.8 million and generated a gross return of 4.6%*, respectively 5.0%* based on invoiced rents. The occupancy rate in the office portfolio equalled 91.3% (31 March 2020: 95.4%; 31 December 2020: 93.7%), whereby the decline resulted primarily from an agreement for the reduction of space for a single tenant in Germany who was severely affected by the COVID-19 pandemic. The myhive offices have an occupancy rate of 90.1%. Based on the EPRA's calculation formula, the vacancy rate equals 8.4% (31 March 2020: 4.1%; 31 December 2020: 5.5%). The WAULT** equalled 4.3 years as of 31 March 2021 (31 December 2020: 4.4 years).

Contract expiration profile: office standing investments

Expiring rental contracts as of the earliest possible contract end in relation to the total rented space (only GLA space¹):

1 year in %	2 years in %	3 years in %	4 years in %	5 years in %	> 5 years in %	> 10 years in %
16	12	14	20	10	26	1

¹ Gross lettable area: the total area available to tenants for their exclusive use; excludes common areas, e.g. traffic, parking and service areas, etc.

Key data on the office standing investments by category

Standing investments	Number of properties	Carrying amount in MEUR	Carrying amount in %	Rentable space in sqm	Rented space in sqm	Occupancy rate in %
IMMOFINANZ	48	2,820.5	100.0	956,742	873,089	91.3
thereof myhive	23	1,663.8	59.0	542,936	489,281	90.1

Standing investments	Rental income Q1 2021 in MEUR	Gross return (invoiced rents return) in %	Carrying amount financing in MEUR	Financing costs floating interest in % ¹	Financing costs incl. derivatives in %	LTV in %
IMMOFINANZ	32.9²	4.7 (5.1)²	1,196.3	1.1	1.7	42.4
thereof myhive	19.3	4.6 (5.0)	670.7	1.2	1.9	40.3

¹ Financing costs based on nominal outstanding liability

² Rental income and the return were adjusted for a non-recurring effect in the form of a settlement payment for the reduction in space beginning in 2021. It involves a large tenant in Germany who was severely affected by the pandemic.

The COVID-19 pandemic – with the accompanying shift to home office work in many companies – has accelerated the current digitalisation trend in the office sector. Even under the assumption that home office will play a slightly less important role in the future, the tenants' wish for greater flexibility is increasing. IMMOFINANZ is well positioned with its flexible myhive office concept and offers tenants properties at good locations in a high-quality office and community environment with excellent service, infrastructure and a friendly atmosphere. Tenants only pay for the space they need and can make short-term adjustments where necessary.

* Rental income and the return were adjusted for a non-recurring effect in the form of a settlement payment for the reduction in space beginning in 2021. It involves a large tenant in Germany who was severely affected by the pandemic.

** Average unexpired lease term weighted by rental income, excl. open-ended contracts

Retail standing investments

The carrying amount of the 110 standing investments in the retail sector totalled EUR 1,713.8 million as of 31 March 2021 (31 December 2020: 105 standing investments with a carrying amount of EUR 1,671.1 million). These properties represented 37.7% of the standing investment portfolio and generated 50.0% of the rental income from standing investments in the first quarter of 2021. The largest regional markets are the Adriatic region (Serbia, Slovenia and Croatia) with EUR 323.7 million, Romania with EUR 321.3 million and Poland with EUR 283.6 million. The STOP SHOP retail parks have a carrying amount of EUR 1,044.4 million and a gross return of 7.7%, respectively 7.9% based on invoiced rents. The VIVO! shopping centers have a carrying amount of EUR 658.6 million; they generate a gross return of 7.7% and an invoiced rental return of 8.1%.

The closing for the acquisition of five STOP SHOP retail parks in Serbia and Croatia led to an increase in the rentable space to 1,047,165 sqm as of 31 March 2021 (31 December 2020: 1,013,157 sqm). Based on annualised rents (Q1 2021: EUR 33.0 million), the retail portfolio has a gross return of 7.7%, respectively 7.9% based on invoiced rents. The occupancy rate in the retail properties equalled 97.4% as of 31 March 2021 (31 March 2020: 97.5%; 31 December 2020: 98.1%); the STOP SHOP retail parks and VIVO! shopping centers had an occupancy rate of 98.0% and 96.0% at the end of the reporting period. The WAULT* equalled 4.5 years as of 31 March 2021 (31 December 2020: 3.9 years).

Contract expiration profile: retail standing investments

Expiring rental contracts as of the earliest possible contract end in relation to the total rented space (only GLA space¹):

1 year in %	2 years in %	3 years in %	4 years in %	5 years in %	> 5 years in %	> 10 years in %
12	12	13	14	19	29	1

¹ Gross lettable area: the total area available to tenants for their exclusive use; excludes common areas, e.g. traffic, parking and service areas, etc.

Key data on the retail standing investments by category

Standing investments	Number of properties	Carrying amount in MEUR	Carrying amount in %	Rentable space in sqm	Rented space in sqm	Occupancy rate in %
IMMOFINANZ	110	1,713.8	100.0	1,047,165	1,019,844	97.4
thereof VIVO!/shopping center	10	658.6	38.4	314,118	301,575	96.0
thereof STOP SHOP/retail park	98	1,044.4	60.9	722,746	708,574	98.0
Standing investments	Rental income Q1 2021 in MEUR	Gross return (invoiced rents return) in %	Carrying amount financing in MEUR	Financing costs floating interest in % ¹	Financing costs incl. derivatives in %	LTV in %
IMMOFINANZ	33.0	7.7 (7.9)	590.1	1.4	1.9	34.4
thereof VIVO!/shopping center	12.7	7.7 (8.1)	151.4	1.4	1.8	23.0
thereof STOP SHOP/retail park	20.1	7.7 (7.9)	438.7	1.5	2.0	42.0

¹ Financing costs based on nominal outstanding liability

The government-ordered temporary shutdowns to contain the COVID-19 pandemic have affected nearly all branches. However, discounters have fared substantially better due to consumers' growing price consciousness. IMMOFINANZ is well positioned with its cost-efficient STOP SHOP and VIVO! retail brands and benefits from its focus on everyday goods and tenants from the discount segment.

* Average unexpired lease term weighted by rental income, excl. open-ended contracts

Development projects

The development projects had a carrying amount of EUR 355.7 million as of 31 March 2021, which represents 7.0% of the total property portfolio (31 December 2020: EUR 358.6 million and 7.2%). This amount includes EUR 317.5 million of active development projects and EUR 38.2 million of projects in the preparation or concept phase, for which outstanding construction costs are not yet available (i.e. six STOP SHOP projects). The expected fair value of the active projects on completion amounted to EUR 510.7 million. The core markets of Germany and Romania represent the focus of these activities based on an expected fair value after completion of EUR 162.8 million, respectively EUR 150.0 million. The major projects involve the completion of the myhive Medienhafen in Düsseldorf and the modernisation of the IRIDE 18 and 19 buildings in the Bucharest IRIDE Business Park as well as the Bucharest Financial Plaza, which was acquired during the first quarter of 2021 and will now undergo modernisation. Refurbishment projects are currently in progress in two office buildings at the myhive am Wienerberg in Vienna and the myhive Haller Garden office building in Budapest. In the Croatian city of Kaštela, the development of a new STOP SHOP retail park is planned. Construction will start in autumn 2021 and the completion is scheduled for spring 2022.

Development projects by core market

Development projects	Number of properties	Carrying amount in MEUR	Carrying amount in %	Outstanding construction costs in MEUR	Planned rentable space in sqm	Expected fair value after completion in MEUR	Expected rental income at full occupancy in MEUR	Expected yield after completion in % ¹
Austria	2	68.5	21.6	38.5	29,513	107.1	5.2	4.9
Germany	1	105.5	33.2	32.2	21,707	162.8	5.9	4.2
Hungary	1	65.4	20.6	13.6	34,218	78.9	6.3	7.9
Romania	3	74.2	23.4	62.0	55,481	150.0	10.7	7.8
Adriatic ²	1	3.9	1.2	7.1	6,763	11.8	1.0	9.0
Active projects	8	317.5	100.0	153.5	147,682	510.7	28.9	6.1
Projects in preparation	10	38.2						
IMMOFINANZ	18	355.7						

¹ Expected rental income after completion in relation to the current carrying amount, including outstanding construction costs

² Croatia

Pipeline projects

Pipeline projects include planned development projects, undeveloped land and/or temporarily suspended projects. These projects had a carrying amount of EUR 173.0 million as of 31 March 2021 (31 December 2020: EUR 191.8 million). Romania represents the focal point of the pipeline projects at EUR 98.1 million. IMMOFINANZ intends to further reduce the scope of pipeline projects, in particular the land reserves in Romania, through selected sales as part of its corporate strategy.

Assets held for sale

The assets held for sale totalled EUR 146.1 million as of 31 March 2021 (including capitalised rights of use for building rights) and are not included in this portfolio report (31 December 2020: EUR 168.4 million). Purchase contracts have already been signed for all these properties. Details are provided in section 3.3 of the supplementary information to the consolidated interim financial statements.

Consolidated Interim Financial Report

Consolidated Balance Sheet

All amounts in TEUR	Notes	31 3 2021	31 12 2020
Investment property	3.1	4,776,173	4,680,351
Property under construction		355,724	358,640
Other tangible assets		5,345	5,313
Intangible assets		24,401	24,460
Equity-accounted investments	3.2	463,721	367,932
Trade and other receivables		47,877	56,917
Income tax receivables		595	514
Other financial assets		12,448	12,524
Deferred tax assets		9,386	9,016
Non-current assets		5,695,670	5,515,667
Trade and other receivables		167,426	87,722
Income tax receivables		12,668	11,938
Assets held for sale	3.3	146,085	168,382
Real estate inventories		619	619
Cash and cash equivalents		897,220	1,047,085
Current assets		1,224,018	1,315,746
Assets		6,919,688	6,831,413
Share capital		123,294	123,294
Capital reserves		4,702,527	4,702,527
Treasury shares		-156,328	-156,328
Accumulated other equity		-187,834	-194,682
Retained earnings		-1,246,833	-1,367,228
Equity attributable to owners of IMMOFINANZ AG		3,234,826	3,107,583
Non-controlling interests		-29,709	-23,876
Equity		3,205,117	3,083,707
Liabilities from convertible bonds		279,817	281,806
Financial liabilities		2,802,030	2,818,552
Trade and other payables		47,270	59,032
Income tax liabilities		2	2
Provisions		17,447	17,196
Deferred tax liabilities		262,863	262,271
Non-current liabilities		3,409,429	3,438,859
Liabilities from convertible bonds		9,192	9,250
Financial liabilities		93,118	97,499
Trade and other payables		130,085	129,926
Income tax liabilities		9,301	7,482
Provisions		18,487	19,827
Liabilities held for sale	3.3	44,959	44,863
Current liabilities		305,142	308,847
Equity and liabilities		6,919,688	6,831,413

Consolidated Income Statement

All amounts in TEUR	Notes	Q1 2021	Q1 2020
Rental income	4.1	74,783	74,390
Operating costs charged to tenants		21,962	22,538
Other revenues		478	1,520
Revenues		97,223	98,448
Expenses from investment property	4.2	-17,096	-12,418
Operating expenses		-25,232	-26,564
Results of asset management		54,895	59,466
Results of property sales	4.3	-413	-1,807
Results of property development	4.4	1,092	-747
Other operating income	4.5	910	363
Other operating expenses	4.6	-10,114	-13,813
Results of operations		46,370	43,462
Revaluation result from standing investments and goodwill	4.7	981	-44,988
Operating profit (EBIT)		47,351	-1,526
Financing costs	4.8	-20,024	-19,541
Financing income	4.8	655	359
Foreign exchange differences		-734	-1,613
Other financial results	4.8	8,923	-5,310
Net profit or loss from equity-accounted investments		90,867	-4,162
Financial results	4.8	79,687	-30,267
Earnings before tax (EBT)		127,038	-31,793
Current income tax		-3,097	-3,490
Deferred tax		-877	-2,365
Net profit or loss from continuing operations		123,064	-37,648
Net profit or loss from discontinued operations		0	0
Net profit or loss		123,064	-37,648
thereof attributable to owners of IMMOFINANZ AG		123,063	-37,373
thereof attributable to non-controlling interests		1	-275
Basic earnings per share in EUR		1.00	-0.37
Diluted earnings per share in EUR		0.91	-0.37

Consolidated Statement of Comprehensive Income

All amounts in TEUR	Notes	Q1 2021	Q1 2020
Net profit or loss		123,064	-37,648
Other comprehensive income (reclassifiable)			
Currency translation adjustment		-1,200	-1,123
thereof changes during the financial year		-1,200	-1,652
thereof reclassification to profit or loss		0	529
Other comprehensive income from equity-accounted investments	3.2	801	452
thereof changes during the financial year		1,030	377
thereof income taxes		-229	75
Total other comprehensive income (reclassifiable)		-399	-671
Other comprehensive income (not reclassifiable)			
Financial instruments at fair value through other comprehensive income		-179	0
thereof changes during the financial year		-237	0
thereof income taxes		58	0
Other comprehensive income from equity-accounted investments	3.2	7,426	-28,696
thereof changes during the financial year		9,901	-38,261
thereof income taxes		-2,475	9,565
Total other comprehensive income (not reclassifiable)		7,247	-28,696
Total other comprehensive income after tax		6,848	-29,367
Total comprehensive income		129,912	-67,015
thereof attributable to owners of IMMOFINANZ AG		129,911	-66,190
thereof attributable to non-controlling interests		1	-825

Consolidated Cash Flow Statement

All amounts in TEUR	Notes	Q1 2021	Q1 2020
Earnings before tax (EBT)		127,038	-31,793
Revaluations of investment properties	4.7	-2,814	46,753
Goodwill impairment and subsequent price adjustments		58	-45
Write-downs and write-ups on receivables and other assets		6,223	1,080
Net profit or loss from equity-accounted investments		-90,868	4,163
Foreign exchange differences and fair value measurement of financial instruments		-10,212	10,314
Net interest income/expense		19,293	18,388
Results from deconsolidation		0	361
Other non-cash income/expense/reclassifications		-1,973	210
Gross cash flow before tax		46,745	49,431
Income taxes paid		-1,149	-1,773
Gross cash flow after tax		45,596	47,658
Change in real estate inventories		0	2,221
Change in trade and other receivables		-68,016	-7,223
Change in trade payables and other liabilities		-2,952	-922
Change in provisions		-454	-2,697
Cash flow from operating activities		-25,826	39,037
Acquisition of investment property and property under construction		-55,857	-33,269
Business combinations and other acquisitions, net of cash and cash equivalents		-23,765	0
Consideration transferred from disposal of subsidiaries, net of cash and cash equivalents		0	16,249
Acquisition of other non-current assets		-381	-162
Disposal of investment property and property under construction		25,828	5,760
Dividends received from equity-accounted investments	3.2	3,439	3,129
Interest or dividends received from financial instruments		62	36
Cash flow from investing activities		-50,674	-8,257
Increase in financial liabilities plus decrease in blocked cash and cash equivalents		3,865	958
Repayment of financial liabilities plus increase in blocked cash and cash equivalents		-44,254	-31,953
Derivatives		-2,395	-2,546
Interest paid		-20,777	-22,920
Payments on mandatory convertible bond		-2,400	0
Transactions with non-controlling interest owners		-8,501	0
Cash flow from financing activities		-74,462	-56,461
Net foreign exchange differences		-433	-7,006
Change in cash and cash equivalents		-151,395	-32,687
Cash and cash equivalents at the beginning of the period (consolidated balance sheet item)		1,047,085	341,161
Plus cash and cash equivalents in disposal groups		4,333	3,980
Cash and cash equivalents at the beginning of the period		1,051,418	345,141
Cash and cash equivalents at the end of the period		900,023	312,454
Less cash and cash equivalents in disposal groups	3.3	2,803	1,665
Cash and cash equivalents at the end of the period (consolidated balance sheet item)		897,220	310,789

Consolidated Statement of Changes in Equity

All amounts in TEUR	Notes	Share capital	Capital reserves	Treasury shares
Balance on 31 December 2020		123,294	4,702,527	-156,328
Other comprehensive income				
Net profit or loss				
Total comprehensive income				
Transactions with non-controlling interest owners				
Balance on 31 March 2021		123,294	4,702,527	-156,328
Balance on 31 December 2019		112,085	4,465,194	-250,378
Other comprehensive income				
Net profit or loss				
Total comprehensive income				
Balance on 31 March 2020		112,085	4,465,194	-250,378

Accumulated other equity								
	Revaluation reserve (former AFS reserve)	IAS 19 reserve	Hedge accounting reserve	Currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	-12,522	-408	-3,843	-177,909	-1,367,228	3,107,583	-23,876	3,083,707
	7,247		814	-1,213		6,848		6,848
					123,063	123,063	1	123,064
	7,247		814	-1,213	123,063	129,911	1	129,912
					-2,668	-2,668	-5,834	-8,502
	-5,275	-408	-3,029	-179,122	-1,246,833	3,234,826	-29,709	3,205,117
	12,767	-405	-3,398	-175,575	-1,200,196	2,960,094	-22,949	2,937,145
	-28,696		-396	275		-28,817	-550	-29,367
					-37,373	-37,373	-275	-37,648
	-28,696		-396	275	-37,373	-66,190	-825	-67,015
	-15,929	-405	-3,794	-175,300	-1,237,569	2,893,904	-23,774	2,870,130

Supplementary Information

1. Basis of Preparation

The consolidated interim financial report of IMMOFINANZ as of 31 March 2021 was prepared for the period from 1 January 2021 to 31 March 2021 (Q1 2021).

This consolidated interim financial report on IMMOFINANZ does not represent a report prepared in accordance with IAS 34. Information on the applied IFRS, significant accounting policies and further information and disclosures can be found in IMMOFINANZ's consolidated financial statements as of 31 December 2020, which form the basis for this consolidated interim financial report.

The consolidated interim financial report is presented in thousand euros ("TEUR", rounded). The use of automatic data processing equipment can lead to rounding differences in the addition of rounded amounts or percentage rates.

2. Development of the Scope of Consolidation

The following table shows the development of the scope of consolidation in Q1 2021:

Scope of consolidation	Subsidiaries full consolidation	Joint ventures at equity	Associates at equity	Total
Balance on 31 December 2020	194	2	7	203
Companies initially included				
Other acquisitions	6	0	0	6
New foundations	2	0	0	2
Companies no longer included				
Mergers	-2	0	0	-2
Balance on 31 March 2021	200	2	7	209
thereof foreign companies	141	2	0	143
thereof in liquidation	12	0	0	12

3. Notes to the Consolidated Balance Sheet

3.1 Investment property

All amounts in TEUR	Q1 2021
Beginning balance	4,680,351
Currency translation adjustments	-1,574
Additions	52,098
Disposals	-3,763
Revaluation	775
Reclassifications	48,286
Ending balance	4,776,173

The most important additions to investment property during the first quarter of 2021 involve the purchase of retail parks in Serbia and Croatia as well as the acquisition of an office property in Bucharest. The reclassifications are related, above all, to transfers from property under construction into the investment property and vice versa in Austria and Croatia. Information on revaluation is provided in section 0.

3.2 Equity-accounted investments

The carrying amount of the equity-accounted investments totalled EUR 463.7 million as of 31 March 2021, whereby EUR 459.8 million are attributable to S IMMO AG. Based on the 19,499,437 shares held by IMMOFINANZ, the book value per share of S IMMO AG equals EUR 23.58. The share of results from equity-accounted investments reported on the income statement amounts to EUR 90.9 million, including EUR 88.0 million for S IMMO AG.

The significant improvement in the market price of the S IMMO share during the first quarter of 2021 provided objective indications of an increase in the value of this investment as of 31 March 2021. An impairment test was therefore performed, and the carrying amount of the investment was subsequently written up to the fair value less selling costs (in total, EUR 459.8 million). The revaluation equalled EUR 85.3 million and is included under net profit or loss from equity-accounted investments.

3.3 Assets and specific liabilities held for sale

Of the assets and liabilities held for sale as of 31 December 2020, two office properties in Hungary and land in Romania were sold during Q1 2021.

Management's plans to sell remain in effect for the other assets and liabilities which were classified as held for sale as of 31 December 2020, but which had not been sold as of 31 March 2021.

The assets and liabilities held for sale as of 31 March 2021 are summarised as follows:

All amounts in TEUR	Carrying amount as of 31 3 2021	Carrying amount as of 31 12 2020
Investment property	82,750	104,417
Property under construction	59,715	58,968
Deferred tax assets	344	147
Trade and other receivables	473	517
Cash and cash equivalents	2,803	4,333
Assets held for sale	146,085	168,382
Reclassifiable reserves	-904	-904
Financial liabilities	41,319	40,901
Trade and other payables	1,276	1,837
Provisions	311	315
Deferred tax liabilities	2,053	1,810
Liabilities held for sale	44,959	44,863

4. Notes to the Consolidated Income Statement

4.1 Rental income

All amounts in TEUR	Office	Retail	Other	Q1 2021
				Total
Office space	35,217	36	67	35,320
Retail space	1,291	32,200	0	33,491
Other space	5,052	838	82	5,972
thereof parking areas	2,979	68	62	3,109
thereof warehouse space	1,069	107	0	1,176
thereof hotel	221	0	0	221
thereof advertising and telecommunications	440	619	3	1,062
thereof other	343	44	17	404
Total	41,560	33,074	149	74,783

All amounts in TEUR	Office	Retail	Other	Q1 2020
				Total
Office space	33,493	32	53	33,578
Retail space	2,011	31,462	0	33,473
Other space	6,378	835	126	7,339
thereof parking areas	3,752	91	108	3,951
thereof warehouse space	1,365	89	0	1,454
thereof hotel	410	0	0	410
thereof advertising and telecommunications	465	605	0	1,070
thereof other	386	50	18	454
Total	41,882	32,329	179	74,390

The penalties for prematurely terminated rental contracts have been included under rental income, instead of under other revenue, since 1 January 2021. This change in presentation equalled EUR 6.7 million in the first quarter of 2021 (2020: EUR 0.4 million).

4.2 Expenses from investment property

All amounts in TEUR	Q1 2021	Q1 2020
Commission expenses	-53	-126
Maintenance	-2,373	-3,020
Operating costs charged to building owners	-4,492	-4,367
Property marketing	-762	-919
Personnel expenses from asset management	-1,100	-1,354
Other expenses from asset management	-539	-569
Fit-out costs	-1,294	-448
Write-off of receivables from asset management	-6,195	-1,438
Other expenses	-288	-177
Total	-17,096	-12,418

Concessions were also granted to tenants during the first quarter of 2021 in reaction to the ongoing COVID-19 pandemic. Most of these concessions were granted retroactively and are accounted for as write-off of receivables. Of the EUR -6.2 million in write-off of receivables shown in the above table, EUR -5.4 million are related to COVID-19.

The increase in fit-out costs is attributable, above all, to the implementation of the flexible myhive office concept.

4.3 Results of property sales

All amounts in TEUR	Q1 2021	Q1 2020
Office	20,021	0
Retail	0	5,760
Other	4,787	0
Proceeds from property sales	24,808	5,760
Less carrying amount of sold properties	-24,808	-5,760
Net gain/loss from property sales	0	0
Results from deconsolidation	0	-361
Sales commissions	-166	0
Personnel expenses from property sales	-231	-468
Legal, auditing and consulting fees from property sales	-208	-343
Other expenses	-24	317
Expenses from property sales	-629	-494
Revaluation results from properties sold and held for sale (see 4.7)	216	-952
Total	-413	-1,807

The sales during the first quarter of 2021 involved office buildings in Hungary and land in Romania.

4.4 Results of property development

All amounts in TEUR	Q1 2021	Q1 2020
Proceeds from the sale of real estate inventories	0	516
Cost of real estate inventories sold	0	-4
Operating costs charged to building owners of real estate inventories	0	-24
Expenses from real estate inventories	0	-24
Expenses from property development	-526	-467
Revaluation results from properties under construction (see 4.7)	1,618	-768
Total	1,092	-747

4.5 Other operating income

All amounts in TEUR	Q1 2021	Q1 2020
Expenses charged on	1	4
Insurance compensation	22	41
Income from derecognised liabilities	479	6
Reimbursement for penalties	0	37
Miscellaneous	408	275
Total	910	363

4.6 Other operating expenses

All amounts in TEUR	Q1 2021	Q1 2020
Administrative expenses	-1	-31
Legal, auditing and consulting fees	-1,837	-1,508
Penalties	-2	-3
Levies	-203	-418
Advertising	-743	-825
EDP and communications	-426	-801
Expert opinions	-202	-135
Personnel expenses	-5,144	-8,783
Other write-downs	-408	-343
Miscellaneous	-1,148	-966
Total	-10,114	-13,813

4.7 Revaluation results from investment property and goodwill

The results from the revaluation of investment property, property under construction and properties held for sale led to positive effects of EUR 2.8 million in the first quarter of 2021. Of this total, EUR 1.0 million are related to investment property, EUR 1.6 million to property under construction and EUR 0.2 million to properties held for sale.

4.8 Financial results

All amounts in TEUR	Q1 2021	Q1 2020
For financial liabilities AC	-17,628	-17,286
For derivative financial instruments	-2,396	-2,255
Total financing costs	-20,024	-19,541
For financial receivables AC	655	304
For derivative financial instruments	0	55
Total financing income	655	359
Foreign exchange differences	-734	-1,613
Profit or loss on other financial instruments and proceeds on the disposal of financial instruments	-1	3
Valuation of financial instruments at fair value through profit or loss	9,625	-5,671
Valuation adjustments and impairment of receivables	167	358
Negative interest on cash and cash equivalents	-868	0
Other financial results	8,923	-5,310
Net profit or loss from equity-accounted investments	90,867	-4,162
Total	79,687	-30,267

AC: financial assets/liabilities measured at amortised cost

The valuation of financial instruments at fair value through profit or loss consists primarily of results from the valuation of derivative financial instruments (interest rate swaps).

Information on the net profit or loss from equity-accounted investments is provided in section 3.2.

5. Subsequent Events

In line with its strategy, IMMOFINANZ sold four office buildings in Warsaw to the Indotek Group. The selling price amounted to EUR 72.5 million, and the closing took place on 8 April 2021.

IMMOFINANZ published the documents for the voluntary takeover offer to the shareholders of S IMMO AG on 19 May 2021. The offer is limited in time and ranges from 19 May 2021 to 16 July 2021. The offer price equals EUR 22.25 per share and represents a premium of 40.3% over the six-month VWAP of the S IMMO share.

In connection with the takeover offer announced on 19 May 2021, IMMOFINANZ has decided to postpone the annual general meeting. It will be rescheduled for a date after the settlement of the voluntary takeover offer. This will also result in the deferment of the resolutions on the use of profit and the dividend payment for the 2020 financial year.

Financial calendar 2021

30 August 2021 ¹	Announcement of results for the first half of 2021
31 August 2021	Financial report on the first half of 2021
29 November 2021 ¹	Announcement of results for the first three quarters of 2021
30 November 2021	Financial report on the first three quarters of 2021
	A new date for the 28th Annual General Meeting will follow. ²

¹ Publication after close of trading at the Vienna Stock Exchange

² In connection with the takeover offer launched by IMMOFINANZ to the shareholders of S IMMO published on 19 May 2021, it was decided to postpone the 28th annual general meeting of IMMOFINANZ. The IMMOFINANZ annual general meeting will be rescheduled to a date after the settlement of the takeover offer to the shareholders of S IMMO to prevent any influence from this takeover offer on the annual general meeting.

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Rounding differences may result from the use of automatic data processing equipment for the addition of rounded amounts and percentage rates.



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